

107TH CONGRESS
1ST SESSION

H. R. 41

To amend the Internal Revenue Code of 1986 to permanently extend the research credit and to increase the rates of the alternative incremental credit.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 2001

Mrs. JOHNSON of Connecticut (for herself and Mr. MATSUI) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to permanently extend the research credit and to increase the rates of the alternative incremental credit.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. PERMANENT EXTENSION OF RESEARCH**
4 **CREDIT.**

5 (a) IN GENERAL.—Section 41 of the Internal Rev-
6 enue Code of 1986 (relating to credit for increasing re-
7 search activities) is amended by striking subsection (h).

8 (b) CONFORMING AMENDMENT.—Paragraph (1) of
9 section 45C(b) of such Code is amended by striking sub-
10 paragraph (D).

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to amounts paid or incurred after
3 the date of the enactment of this Act.

4 **SEC. 2. INCREASE IN RATES OF ALTERNATIVE INCRE-**
5 **MENTAL CREDIT.**

6 (a) IN GENERAL.—Subparagraph (A) of section
7 41(c)(4) of the Internal Revenue Code of 1986 (relating
8 to election of alternative incremental credit) is amended—

9 (1) by striking “2.65 percent” and inserting “3
10 percent”,

11 (2) by striking “3.2 percent” and inserting “4
12 percent”, and

13 (3) by striking “3.75 percent” and inserting “5
14 percent”.

15 (b) EFFECTIVE DATE.—The amendment made by
16 this section shall apply to taxable years ending after the
17 date of the enactment of this Act.

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